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FINANCIAL REPORT OF THE
REDDELL-VIDRINE WATER DISTRICT
EVANGELINE PARISH, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-15-01

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Reddell-Vidrine Water District
Evangeline Parish, Louisiana

I have audited the accompanying component unit financial statements of the Reddell-Vidrine Water District, Evangeline Parish, Louisiana, as of and for the year ended December 31, 2000, as listed in the table of contents. These component unit financial statements are the responsibility of the Reddell-Vidrine Water District's management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Reddell-Vidrine Water District, Evangeline Parish, Louisiana, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 19, 2001, on my consideration of the Reddell-Vidrine Water District's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Eunice, Louisiana
June 19, 2001

COMPONENT UNIT FINANCIAL STATEMENTS

(Combined Statement Overview)

REDDELL-VIDRINE WATER DISTRICT
OF EVANGELINE PARISH, LOUISIANA

Comparative Balance Sheet, Proprietary Fund Type –
As of December 31, 2000 and 1999

	<u>PROPRIETARY FUND</u>	
ASSETS	<u>2000</u>	<u>1999</u>
<u>CURRENT ASSETS</u>		
Cash on Deposit		
Checking – G.B.M.	\$ 33,640	\$ 15,952
Savings	34,554	8,593
Certificates of Deposit	36,635	34,000
Less Restricted Cash	(54,878)	(48,393)
Total Cash Available	\$ 49,951	\$ 10,152
Accounts Receivable – Water	\$ 17,224	\$ 15,893
Total Current Assets	\$ 67,175	\$ 26,045
<u>RESTRICTED CASH</u>		
Cash for Bond Sinking Fund	\$ 18,974	\$ 17,659
Cash for Bond Reserve Fund	19,323	17,349
Cash for Depreciation & Contingency	1,506	810
Cash for Security Deposits	15,075	12,575
Total Restricted Cash	\$ 54,878	\$ 48,393
<u>PLANT & EQUIPMENT AT COST</u>		
Land	\$ 24,500	\$ 24,500
Equipment	44,098	42,409
Water System	619,642	618,242
Total Plant & Equipment	\$688,240	\$685,151
Less Accumulated Depreciation	(223,629)	(202,885)
Net Plant & Equipment	\$464,611	\$482,266
<u>OTHER ASSETS</u>		
Security Deposits	\$ 10	\$ 10
TOTAL ASSETS	\$586,674	\$556,714

The accompanying notes are an integral part of this statement.

(Continued)

REDDELL-VIDRINE WATER DISTRICT
OF EVANGELINE PARISH, LOUISIANA

(Comparative Balance Sheet, Proprietary Fund Type –
As of December 31, 2000 and 1999
(Continued)

	<u>PROPRIETARY</u>	
	<u>FUND</u>	
LIABILITIES AND EQUITY	<u>2000</u>	<u>1999</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 2,993	\$ 2,618
Taxes Payable	2,045	1,774
Interest Payable	202	205
FHA Note #1 – Current Portion	9,000	9,000
FHA Note #2 – Current Portion	500	500
FHA Note #3 – Current Portion	2,206	2,104
Total Current Liabilities	<u>\$ 16,946</u>	<u>\$ 16,201</u>
<u>LIABILITIES FROM RESTRICTED</u>		
<u>ASSETS</u>		
Security Deposits Payable	<u>\$ 15,075</u>	<u>\$ 12,575</u>
<u>LONG-TERM DEBT (NOTE 2)</u>		
FHA Note #1	\$ 93,000	\$ 93,000
FHA Note #2	12,000	12,000
FHA Note #3	138,678	140,943
Total Long-Term Liabilities	<u>\$243,678</u>	<u>\$245,943</u>
Total Liabilities	<u>\$275,699</u>	<u>\$274,719</u>
<u>EQUITY</u>		
Memberships	\$ 8,300	\$ 8,300
Retained Earnings	<u>302,675</u>	<u>273,695</u>
Total Equity	<u>\$310,975</u>	<u>\$281,995</u>
TOTAL LIABILITIES AND EQUITY	\$586,674	\$556,714

The accompanying notes are an integral part of this statement.

REDDELL-VIDRINE WATER DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For the Years Ended December 31, 2000 and 1999

	12 Months Ended 12/31/00	12 Months Ended 12/31/99
REVENUES		
Water Sales	\$178,437	\$164,797
Connections and Installations	12,203	27,623
Total Revenues	<u>\$190,640</u>	<u>\$192,420</u>
EXPENSES		
Accounting	\$ 3,370	\$ 3,425
Advertising	59	376
Bad Debts	138	72
Bank Service Charge	137	81
Computer Supplies	300	-0-
Contract Labor	-0-	3,208
Depreciation	20,744	14,475
Dues	-0-	451
Entertainment	407	561
Fees & Permit	50	106
Fuel	680	94
Insurance	9,333	14,540
Legal	498	1,215
License	1,244	22
Miscellaneous	111	50
Office Expense & Postage	4,845	4603
Refunds	39	1,695
Repairs	7,456	17,072
Salaries & Wages	57,084	49,283
Supplies	20,070	39,436
Per Diem	3,450	3,600
Sales Tax	-0-	222
Payroll Taxes	5,814	4,466
Rent Expense	1,500	3,832
Telephone	3,154	3,231
Continuing Education/Seminars	130	320
Truck Expense	662	2,974
Utilities	14,698	10,925
Total Expenses	<u>\$155,973</u>	<u>\$180,345</u>
Operating Income	<u>\$ 34,667</u>	<u>\$ 12,075</u>
Other Financing Sources/(Uses)		
Interest Revenue	\$ 3,780	\$ 1,641
Interest Expense	(9,467)	(12,699)
Total Other Financing Sources/(Uses)	<u>\$ (5,687)</u>	<u>\$ 11,058)</u>
Net Income	<u>\$ 28,980</u>	<u>\$ 1,017</u>
Beginning Retained Earnings	273,695	272,678
Ending Retained Earnings	<u>\$302,675</u>	<u>\$273,695</u>

The accompanying notes are an integral part of this statement.

REDDELL-VIDRINE WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<u>Cash flows from operating activities:</u>		
Net income from operating activities	\$ 34,667	\$ 12,075
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 20,744	\$ 14,475
(Increase)/Decrease in Receivables	(1,331)	(1,927)
(Increase)/Decrease in Prepaids	-0-	2,748
Increase/(Decrease) in Payables	643	2,006
Increase/(Decrease) in Meter Deposits	\$ 2,500	\$ (1,750)
Total Adjustments	\$ 22,556	\$ 15,552
Net cash provided by operating activities	\$ 57,223	\$ 27,627
<u>Cash flows from capital and related financing activities</u>		
Payments for property, plant & equipment	\$ (3,089)	\$ (40,947)
Note Principle payments	(5,922)	(20,346)
Loan Proceeds	3,759	40,947
Net cash provided/(used) by investing activities	\$ (5,252)	\$ 20,346)
<u>Cash flows from investing activities:</u>		
Interest Received	\$ 3,780	\$ 1,641
Interest Paid	(9,467)	(12,699)
Net cash provided (used) by investing activities	\$ (5,687)	\$ (11,058)
Net increase/(decrease) in cash and cash equivalents	\$ 46,284	\$ (3,777)
Cash and cash equivalents at beginning of year	\$ 58,545	\$ 62,322
Cash and cash equivalents at end of year	\$104,829	\$ 58,545

The accompanying notes are an integral part of this statement.

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reddell-Vidrine Water District of Evangeline Parish, Louisiana was created by the Evangeline Parish Police Jury on July 14, 1967.

Basis of Presentation

The accompanying component unit financial statements of the Reddell-Vidrine Water District of Evangeline Parish, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental units.

Reporting Entity

This report includes all of the funds and account groups of the District. It includes all activities considered to be part of (controlled by or dependent on) the District.

Fund Accounting

The Reddell-Vidrine Water District, Evangeline Parish, Louisiana is organized and operated on a fund basis whereby a self-balancing set of accounts (Proprietary Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

A proprietary fund is used to account for the operation of the water system.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Depreciation of all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations, accumulated depreciation is reported on Proprietary Fund Balance Sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Water System	50 Years
Wells	50 Years
Meters	50 Years
Line Extensions	50 Years
Equipment	5 – 10 Years

NOTE B – PROPERTY, PLANT, AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at December 31, 2000 follows:

Land	\$ 24,500
Equipment	44,098
Water System	<u>619,642</u>
Total	\$688,240
Less: Accumulated Depreciation	<u>(223,629)</u>
Net	<u>\$464,611</u>

NOTE C – PROPRIETARY FUND DEBT

FHA Note #1:

\$250,000 of Water Revenue Bonds, Series 1969, bearing interest at the rate of 5% per annum payable annually on January 1st of each year.

The annual requirement to amortize this debt outstanding as of December 31, 2000 are as follows:

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

<u>Year Ending December 31</u>	<u>Amount</u>
2001	\$ 9,000
2002	10,000
2003	10,000
2004	11,000
2005	11,000
2006 – 2009	<u>51,000</u>
Total	<u>\$102,000</u>

FHA Note #2

\$25,000 of Water Revenue Bonds, Series 1974, bearing interest at the rate of 5% per annum payable annually on January 1st of each year.

The annual requirements to amortize this debt outstanding at December 31, 2000 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2001	\$ 500
2002	500
2003	500
2004	1,000
2005	1,000
2006-2014	<u>9,000</u>
Total	<u>\$12,500</u>

FHA Note #3:

\$225,000 Water Revenue Bonds, Series 1998, bearing interest at the rate of 4 ¾ % per annum. Payments of \$1,057.50 will be due on the 11th day of each month beginning June 11, 1999 through May 11, 2038. As of December 31, 2000, \$151,642 of the \$225,000 bond issue had been advanced to the District.

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

The annual requirements to amortize this debt are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2001	2,206
2002	2,313
2003	2,426
2004	2,543
2005	2,667
2006-2038	<u>209,559</u>
Total	<u>\$221,714</u>

NOTE D – SCHEDULE OF COMPENSATION PAID TO COMMISSIONERS

<u>Name of Commissioner</u>	<u>Amount</u>
James B. Deshotel	\$200
Bobby Deville	100
Huey Vidrine	500
Shane LaFleur	500
Willic Spears	100
Daryl McGee	500
Peter Miller	450
Scott Deshotels	<u>1,100</u>
Total	<u>\$3,450</u>

NOTE E – COLLATERALIZATION OF CASH

All cash was insured by FDIC insurance at December 31, 2000.

NOTE F – LITIGATION

In the opinion of the District's attorney, the claims and potential claims against the District not covered by insurance would not materially affect the Financial Statements of the District.

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE G – STATEMENT OF CASH FLOWS

The statement of cash flows included in the accompanying component unit financial statements presents cash and cash equivalents at the beginning and end of the period. Cash equivalents are defined as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

The statement of cash flows focuses on cash receipts and cash payments resulting from operating, non capital financing, capital and related financing, or investing activities.

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.

Non capital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction or improvement of capital assets, regardless of the form of the borrowing. Also, included are certain other interfund and intergovernmental receipts and payments.

Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit.

Investing activities include making and collecting loans and acquiring and disposing of debt or equity instruments.

REDDELL-VIDRINE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE II – MINUTES OF MEETINGS

The District did not have on file minutes of meetings from January through April and June of 2000.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Reddell-Vidrine Water District
Ville Platte, Louisiana

I have audited the financial statements of Reddell-Vidrine Water District, Evangeline Parish, Louisiana as of and for the year ended December 31, 2000, and have issued my report thereon dated June 19, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Reddell-Vidrine Water District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 2000-2.

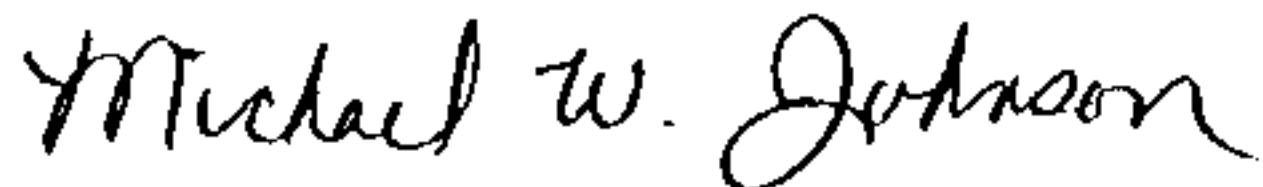
Internal Control Over Financial Reporting

In planning and performing my audit, I considered Reddell-Vidrine Water District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design

or operation of the internal control over financial reporting that, in my judgment, could adversely affect Reddell-Vidrine Water District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2000-1 and 2000-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 2000-2 to be a material weakness.

This report is intended solely for the information and use of management, the commission members, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Michael W. Johnson
Certified Public Accountant

Bunice, Louisiana
June 19, 2001

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REDELLE-VIDRINE WATER DISTRICT SCHEDULE OF FINDINGS For the Year Ended December 31, 2000

I have audited the financial statements of Reddell-Vidrine Water District, Evangeline Parish, Louisiana as of and for the year ended December 31, 2000, and have issued my report thereon dated June 19, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2000 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses X Yes No
Reportable Conditions X Yes No

Compliance

Compliance Material to Financial Statements X Yes No

Section II Financial Statement Findings

2000-1. Inadequate Segregation of Duties

Finding: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

2000-2. Failure to Keep Minutes of Meetings on File

Finding: The District did not keep minutes of monthly meetings on file for January through April and June of 2000.

Cause: Management and the District Secretary changed during this period and the minutes were misplaced.

Recommendation: Management should keep minutes of its monthly meetings on file at the District's office.

**REDDELL-VIDRINE WATER DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2000**

**SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

1999-1. Inadequate segregation of duties.	No action recommended.
1999-2. Failure to make required monthly sinking, reserve, and depreciation and contingency fund deposits.	Resolved.

**REDDELL-VIDRINE WATER DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2000**

**SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENT**

**2000-2. Failure to Keep Minutes of Monthly
Meetings on File.**

Management should keep minutes of monthly
meetings on file at District office

Management has begun keeping
minutes of monthly meetings on file
at the District Office.